

RESOLUTION 2013-41

RESOLUTION EXPRESSING THE GOALS OF THE CITY COUNCIL  
FOR THE USE OF WATER SALE PROCEEDS

WHEREAS, the City of Falls Church and Fairfax Water have agreed upon the terms for the sale of the City's water system ("the Agreement"), and the voters of the City voted to approve the sale of the water system in a public referendum on November 5, 2013; and

WHEREAS, the terms for the sale of the water system include, among other things, the payment to the City of \$40 million, and

WHEREAS, the City Council, by separate resolution TR13-44, has established that a portion of those proceeds shall be used to defease the existing debt of the water system, the cost of which is expected to total \$19 million; and

WHEREAS, the City has pension obligations to current and retired employees, and pursuant to the Agreement a portion of the sale proceeds shall be used to fully fund those future pension obligations, as determined by the City's actuary, and

WHEREAS, after deducting from the sale proceeds those amounts necessary for defeasement of debt, covering water employee pension obligations, and other closing costs, there will be net proceeds to the City from the sale totaling approximately \$14 million; and

WHEREAS, it is the intention of the City Council that the net proceeds from the sale shall be set aside to produce the optimal long-term financial benefit for the City, its citizens, and taxpayers.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
CITY OF FALLS CHURCH, VIRGINIA, AS FOLLOWS:

1) It is the Council's fiduciary responsibility to ensure that the sale proceeds are put to use exclusively for the broad public interest and benefit of city taxpayers.

2) It is recognized that there will be further community discussion before any final decision is made.

3) It is the intention of the City Council that the net proceeds from the sale of the City's water system shall be set aside to produce the optimal long-term financial benefit for the City, its citizens, and taxpayers.

4) The use of the proceeds shall be in keeping with City financial policies.

5) It is the intention of the City Council that the principal amount of the net proceeds shall be protected over the long term and used to generate a sustained return on investment for the taxpayers of the City.

6) It is the sense of the Council that an advantageous way to accomplish these goals, as described herein, is to place net proceeds of the sale, or a significant portion thereof, into the City Pension Plan, as this will, over the long term, produce a higher return on investment relative to other options, reduce the City's annual actuarially required contribution, and produce a long-term benefit for the City's taxpayers.

Reading: 12-9-13  
Adoption: 12-9-13  
(TR13-42)

IN WITNESS WHEREOF, the foregoing was adopted by the City Council of the City of Falls Church, Virginia on December 9, 2013 as Resolution 2013-41.



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Kathleen Clarken Buschow  
City Clerk